

PUBLIC SESSION MINUTES
North Carolina State Board of CPA Examiners
September 21, 2015
1101 Oberlin Road
Raleigh, NC 27605

MEMBERS ATTENDING: Michael H. Womble, CPA, President; Wm. Hunter Cook, CPA, Vice President; Jeffrey J. Truitt, Esq., Secretary-Treasurer; Murchison (Bo) Biggs, CPA; Cynthia B. Brown, CPA; Justin C. Burgess; and George W. Rohe, CPA.

STAFF ATTENDING: Robert N. Brooks, Executive Director; David R. Nance, CPA, Deputy Director; Frank Trainor, Esq., Staff Attorney; Lisa R. Hearne, Communications Manager; Jean Marie Small, Professional Standards Specialist; Buck Winslow, Licensing Manager; and Anna B. Choi, Esq., Legal Counsel.

GUESTS: James T. Ahler, CEO, NCACPA; Sharon Bryson, COO, NCACPA; Henry White, CPA, Chair, NCACPA Peer Review Committee; Art Winstead, CPA, Member, NCACPA Peer Review Committee; Mary Kelly, Administrator, NCACPA Peer Review Program; Amanda Davis, Director of Learning and Development, NCACPA; Jackie Asekhauno, Manager, NCACPA Learning; Suzanne Jolicoeur, Senior Manager, State Regulation & Legislation, AICPA; Curt Lee, Legislative Liaison, NCSA; Abby Adams; NCSU Student, Etim Jeremiah Udoh; and Officer K.C. Min, Raleigh Police Department.

CALL TO ORDER: President Womble called the meeting to order at 10:00 a.m.

PUBLIC HEARING: President Womble called the Public Hearing to order to hear Case No. C2015141 – Etim Jeremiah Udoh. Mr. Udoh was present at the Hearing and was not represented by counsel. Mr. Udoh was sworn in and presented testimony. Messrs. Womble and Cook moved to enter Closed Session with Executive Staff or Staff Attorney present, but with Anna B. Choi, Esq., Legal Counsel present to discuss the case. Motion passed. The Board re-entered the Hearing whereupon Messrs. Rohe and Cook moved to deny Mr. Udoh's request for modification of discipline. Motion passed with seven (7) affirmative votes and zero (0) negative votes. The Board Order will be written and then reviewed and approved at the October 22, 2015, meeting of the Board. The entire Public Hearing is a matter of public record.

MINUTES: The minutes of the August 24, 2015, meeting were approved as submitted.

FINANCIAL AND BUDGETARY ITEMS: The August 2015 financial statements were accepted as submitted.

NATIONAL ORGANIZATION ITEMS: Mr. Cook and Ms. Brown moved to approve the draft response to the AICPA Auditing Standards Board Exposure Draft on Auditing Standards, *Amendment to Statement on Auditing Standards (SAS) No. 122 section 700, Forming an Opinion and Reporting on Financial Statements*. Motion passed.

The Board reviewed correspondence from NASBA regarding possible fraudulent activities by universities and accrediting bodies; proposed bylaw changes from the NASBA Bylaws Committee for vote at the 2015 Annual Meeting; and the US Department of Labor regarding the quality of audit work by CPAs on employee benefit plans under ERISA.

STATE AND LOCAL ORGANIZATION ITEMS: President Womble reported on the September meeting of the Executive Committee and the suggestion of a strategic planning session of the Board. Messrs. Cook and Truitt moved to have a strategic planning session on January 9, 2016, at the Grandover Hotel in Greensboro. Motion passed.

Henry White, CPA, Chair of the NCACPA Peer Review Committee; Art Winstead, CPA, Member of the NCACPA Peer Review Committee; and Mary Kelly, Administrator of the NCACPA Peer Review Program made a presentation to the Board on the NCACPA Peer Review Program in North Carolina.

REPORT OF THE PROFESSIONAL STANDARDS COMMITTEE: Mr. Cook moved and the Board approved the following recommendations of the Committee:

Case No. C2014064-1 and Case No. C2014064-2 - John M. Luddy and John McLeod Luddy, CPA - Approve the signed Consent Order permanently revoking the North Carolina CPA certificate (No. 16255) issued to John McLeod Luddy (Appendix I).

Case No. C2014232 - W. Douglas Karriker - Approve the signed Consent Order (Appendix II).

Case No. C2015216 - Andrew B. Keasler - Approve the signed Consent Order (Appendix III).

Case No. C2015130 - LaRue, Corrigan, McCormick & Teasdale, LLP - Approve the signed Consent Order (Appendix IV).

Case No. C2015157 - Sejong LLP - Approve the signed Consent Order (Appendix V).

Case No. C2015181 - Morris, Kalish + Walgren, P.C. - Approve the signed Consent Order (Appendix VI).

Case No. C2013172 - Paul David Musgrave - Approve a Notice of Hearing for January 28, 2016, at 10:00 a.m.

Case No. C2015190 - Joel M. Wilson - Approve a Notice of Hearing for February 22, 2016, at 10:00 a.m.

Case No. C2014166 - Close the case without prejudice.

Case No. C2015176 - Close the case without prejudice and with a Letter of Warning

Case No. C2015201 - Close the case without prejudice

REPORT OF THE PROFESSIONAL EDUCATION AND APPLICATIONS COMMITTEE: Mr. Rohe moved and the Board approved the following recommendations of the Committee:

Transfer of Grades Applications - The Committee recommended that the Board approve the following:

Linden Ryu Arakawa
Alla Lopez

Fangzhou Qin

Original Certificate Applications - The Committee recommended that the Board approve the following:

Israel David Abitbol
Linden Ryu Arakawa
Leigh Elle Barie
David Edward Batkiewicz
Sarah Catherine Blythe
David Wade Broome
Kaitlyn Marie Byrd
Elizabeth Ann Colner
Bryce Joseph Abalos Creedon
Anthony Eric Dent
Carmen Lee Galloni
Denise Lynn Gauthier
Laura Elizabeth Gennings
Michael Paul Gerica, II
Brittain Taylor Redcay Haney
Neville Thomas Hayes
Jonathan Patrick Holder
Amber Dawn Huffman

Peter Daniel Irvin
Tyler C. Jaynes
Jeffrey Andrew Johnson
Jaskamal Kaur
Ryan Heath Kildoo
Roger Kessel Kurtz
Matthew Everett Lee
Rebecca Gail Leighty
Naomi Marshall Lemmond
Alla Lopez
Erin Rosaleen Lyon
Melonie Kali McCurry
Andrew Thomas McMillan
Sarah Gail McMillan
Victoria May McMillen
Tara Nicole Moser
Fangzhou Qin
Hanisha Prem Shah

Steven Matthew Shinall
Allison Evette Simmons
Mary Elizabeth Stonecypher
Ziyi Sun

Alysse Michelle Swink
Emily Watkins Weeks
Alla Zakharova

Staff reviewed and recommended approval of the original application submitted by Gregory Thomas Wintermeier. Mr. Wintermeier failed to disclose pertinent information with his exam application but provided it with his certificate application. Staff recommended approval of the application with a one-year probationary period. The Committee recommended that the Board approve staff recommendation.

Reciprocal Certificate Applications - The Committee recommended that the Board approve the following:

Kimberly P. Belcher
Weixuan Luo
Brandon Robert Mercado

Michael Joseph Palazzo, III
Phaedra Xanthos

Temporary Permits - The Committee recommended that the Board approve the following temporary permits that were approved by the Executive Director:

Travis Patrick Fix, T8705
Christopher Michael Rezendes, T8706
Matthew Davenport Mosby, T8707
Justin Francis, T8708
Sarah Catherine Plunkett, T8709
Michael Martin Lemberg, T8710
Linda Ann Quick, T8711
David Adam Mize, T8712
Ved Vrat Gupta, T8713

Carola Elisabeth Roland, T8714
Jennifer Lynn Deal, T8736
Margaret Evalayne McGuire, T8737
Jeffrey Ryan Rabinovich, T8738
Brent Andrew Songer, T8739
Gabbrielle Elizabeth Webb, T8740
Carl David Cronin, T8741
Aaron Reuben Kolko, T8742
Derek Douglas Elenbaas, T8743

Reinstatements - The Committee recommended that the Board approve the following:

Barbara Gail Hein, #18413
Mai Tram Vu Kim, #36630

Robert Edwards King, #2725

Firm Registrations - The Committee recommended that the Board approve the following professional limited liability companies that were approved by the Executive Director:

Tracy A. Dyer, CPA PLLC

Stephanie D Fritts CPA PLLC

Letters of Warning - Staff reviewed random CPE audits which listed 2013 CPE taken between January 1 and June 30, 2014, without an approved extension. Staff

recommended a Letter of Warning for a first offense pursuant to 21 NCAC 08G .0406(b)(1). The Committee recommended that the Board approve staff recommendation:

Gary William Dickson, #26994
Kristy L. Illuzzi, #33240

William Glenn McNairy, #3704

Staff received and recommended approval of the requests to rescind the Letter of Warning awarded to Janet Burnett, #26577. The Committee recommended that the Board approve staff recommendation.

Examinations -The Committee recommended that the Board approve the following staff-approved applicants to sit for the Uniform CPA Examination:

Kristen Alston
Lisa Ayer
Angela Bagley
Juliana Barber
Michael Bass
De-Kia Battle
Josie Below
Carrie Benton
Jeffrey Berrier
Ashley Bink
Joseph Bodenheimer
Stacie Brandhoefer
David Brogan
Emily Brown
Hannah Brown
Morgan Brown
Steven Caponi
Danielle Carty
Devin Cass
Stephen Cates
Maitland Chase
Abraham Chen
Ruth Chu
Patrick Click
Elizabeth Colcord
William Collum
Evelyn Cone
Hallie Corday
Lindsay Cregger

Benjamin Crissman
Stacy Daniel
LaKeisha Davis
Molly Davis
Michael DeCarlo
Caroline DeRhodes
Jonathan DuBose
Dana Dupree
Nancy Elliott
Kasie Elmore
Karina Escalante
Andy Ferrell
Giovanni Figaro
Holly Fisher
Morgan Foody
Nathan Francis
Steven Franklin
Jonathan Frazier
Samuel Fulginiti
Brian Funsch
Matthew Fussell
Mikel Gasmovic
Chad Gibbs
Caroline Gilbert
Alexander Givens
Matthew Gochis
Davi Goncalves
Taylor Gray
Eric Greenfeather

Rachel Groce
Arben Hankollari
Michael Hardy
Teresa Hawk
Mengxin He
Jacy Heeter
Meredith Hensley
Rodney Herring
Matthew Hess
Elizabeth Hester
Daniel Hobbs
Nathaniel Hookman
Michael House
Hilary Hughes
Jonn Irving
Heather Jackson
Arnold Jones
Jennifer Jordan
Jordan Kay
Rebecca Keefe
Ashley Keen
Doyeon Kim
Joseph Kirby
Morgan Kirby
Chelsea Kowalchuk
Keith Lane
Kelly Larouche
David Larsen
Atlee Lenes
Erin Lieder
Julie Logan
Sonya Long
Ernest Lookabill
Yolanda Lowery
Jonathan Ludewig
Karina Luthra
Phuong Luu
Colby Lynch
Christi Manivanh
Kathryn Manning
Gina Martinez
Zachary Matthews
Peter Maxwell

Cathleen McCall
Kathleen McCarthy
Lee McCollum
Henry McDonald
Tonya McMannen
Brandy Medina
Brian Meyer
Jeremy Mikell
Vadim Mikhaylyants
Zulema Moreno
Joseph Morrow
Lisa Morrow
Newsam Mutamba
Ryan O'Neal
Kasidy Owens
Mark Parsells
Kenan Patel
Katherine Patrick
Jessica Peddycord
Kenneth Pendleton
William Perrault
Sheetal Puri
Lee Ramsey
Thomas Ransdell
Andrew Rector
Melissa Reeger
Amanda Richardson
Olivia Richardson
Kimberly Riley
Liselotte Ross
Joseph Schmelzle
Karina Schneider
Shay Sellati
Payal Shah
Phillip Shehdan
Heather Shelton
Jessica Sheridan
Mindy Shires
Misti Skinner
Dylan Smith
Meaghann Smith
Natalie Smith
Shana Spicer

Charles Sprouse
Britt Stanford
Courtney Struble
Lori Sullivan
Kenneth Sutts
Andrea Taylor
Kara Tedder
Tamara Temple
Palak Thakore
Jeremy Tillett
Jack Treesh
William True
Donald Vaughn
Andre Viljoen
Richard Wagner
Shuo Wang
James Wax

Delores Weaver
Jonathan Weaver
Travis Weaver
Paul Weeks
Kristin Wheeler
Robert Wheeler
Elizabeth Whitaker
Christopher Wicks
David Wieand
Allison Williams
Tyler Williams
Nellie Wilson
Leslie Wood
Rachel Wright
Jun Xiong
Michael Zeblo

CLOSED SESSION: Ms. Brown and Mr. Burgess moved to enter Closed Session as requested by the Professional Standards Committee to obtain advice from Legal Counsel and the Staff Attorney regarding the use of the CPA credential. Motion passed.

PUBLIC SESSION: Messrs. Cook and Biggs moved to re-enter Public Session. Motion passed.

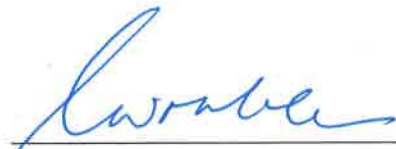
ADJOURNMENT: Messrs. Cook and Burgess moved to adjourn the meeting at 1:56 p.m. Motion passed.

Respectfully submitted:

Attested to by:



Robert N. Brooks
Executive Director



Michael H. Womble, CPA
President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #s: C2014064-1 and C2014064-2

IN THE MATTER OF:

John M. Luddy, Inactive CPA, #16255
John McLeod Luddy, Respondents

CONSENT ORDER

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners ("Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N. C. Gen. Stat. § 150B-41, the Board and the Respondent stipulate to the following:

1. John M. Luddy, (hereinafter "Respondent") was the holder of North Carolina certificate number 16255 as a Certified Public Accountant. At the Respondent's request, he was placed on inactive status as of June 30, 2015.
2. John McLeod Luddy, CPA (hereinafter "Respondent firm"), was a certified public accounting firm in North Carolina prior to June 30, 2015.
3. At all relevant times, the Respondent was the supervising CPA of the Respondent firm and, as such, was the CPA responsible for ensuring that the Board's peer review requirements were satisfied.
4. The Respondent firm had received a peer review for the year ended September 30, 2011. However, it was later discovered that the Respondent firm had conducted an audit of an employee benefit plan. That audit had not been identified by the Respondents to the peer reviewer.
5. Per the peer review rules, if a firm performs an audit of an employee benefit plan during the relevant time period, at least one such plan must be subjected to peer review.
6. At the beginning of the peer review process, firms must complete a questionnaire. The questionnaire specifically requires the firm to review a list of audit engagements, including employee benefit plan audits, and identify whether the firm has performed any of those engagements.
7. The Respondent firm failed to identify an employee benefit plan audit that it had performed during the relevant peer review period. Due to the failure to identify any audits, the peer reviewer conducted an engagement peer review rather than the full system review.

Consent Order - 2
John M. Luddy
John McLeod Luddy

8. After the failure to identify its employee benefit plan audit engagement was identified, the Respondent firm's peer review was recalled, and the Peer Review Committee requested that the Respondent firm provide appropriate explanation to the matter.
9. The Respondent subsequently stated that he had decided to close his practice and that he had turned over his clients to another accountant.
10. Due in part to the closure of his practice, the Respondent has opted not to participate in the process that recalled his peer review. On June 24, 2014, the NCACPA Peer Review Committee terminated the firm from the NCACPA Peer Review Program.
11. As the process for recalling the peer review was never completed, the Respondent firm never underwent a system peer review as required by Board rules.
12. The Respondents wish to resolve this matter by consent and agree that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. The Respondents understand and agree that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. The Respondents are subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. The Respondent should have known that the Respondent firm conducted an employee benefit plan audit during the relevant peer review period and further, should have known that the audit was required to be disclosed to the peer reviewer. The failure to disclose the employee benefit plan audit to the peer reviewer constitutes a violation of 21 NCAC 08N .0202(a).
3. The Respondent firm's failure to undergo a system peer review constitutes a violation of the Statements on Auditing Standards, in violation of 21 NCAC 08N .0401.

Consent Order - 3
John M. Luddy
John McLeod Luddy

4. Per N.C. Gen. Stat. § 93-12(9) and also by virtue of the Respondents' consent to this order, the Respondents are subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings, the Board and the Respondents agree to the following Order:

1. The Certified Public Accountant certificate issued to the Respondent, John M. Luddy, is hereby permanently revoked.
2. The Respondent firm's registration for John McLeod Luddy, CPA, shall remain cancelled.
3. The Respondent shall not offer or render services as a CPA or otherwise trade upon or use the CPA title in this state either through CPA mobility provisions or substantial equivalency practice privileges or in any other manner, nor shall the Respondent claim or attempt to use any practice privileges in any other state based upon his revoked North Carolina certificate.

CONSENTED TO THIS THE 25th DAY OF August, 2015

Individual authorized to sign on behalf of Respondent Firm

John M. Luddy
Respondent

APPROVED BY THE BOARD THIS THE 21 DAY OF SEPTEMBER,
2015

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: [Signature]
President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2014232

IN THE MATTER OF:
W. Douglas Karriker, #27626
Respondent

ORDER

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. W. Douglas Karriker (hereinafter "Mr. Karriker") is the holder of a certificate as a Certified Public Accountant in North Carolina.
2. Mr. Karriker failed to timely renew or cancel the annual firm registration for W. Douglas Karriker, CPA, in accordance with provisions as required by N. C. Gen. Stat. § 93-12 (7b) and 21 NCAC 08J .0108(b) and (g), and 08N .0213.
3. Pursuant to 21 NCAC 08J .0111(3), because Mr. Karriker's infraction was for a period of more than 120 days, the appropriate penalty is \$500.00.
4. Mr. Karriker has paid his civil penalty and consents to the entry of this Order and has waived any right to a hearing.
5. The Board members present, representing a quorum of the Board, have unanimously decided to accept Mr. Karriker's payment as full resolution of the aforementioned rules violation.

This the 21 day of SEPTEMBER, 2015.



NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS

BY: _____

President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #C2015216

IN THE MATTER OF:
Andrew Bennett Keasler, #34404
Respondent

ORDER

THIS MATTER having come before the Board with a quorum present, and having been consented to by the Respondent, the Board finds and orders as follows:

1. Andrew Bennett Keasler (Hereinafter "Mr. Keasler") is the holder of a certificate as a Certified Public Accountant in North Carolina.
2. Mr. Keasler failed to timely file the annual firm registration for Keasler CPA, PLLC, in accordance with provisions as required by N. C. Gen. Stat. §93-12 (7b) and 21 NCAC 08J .0108 (b) and (g), and 08N .0213.
3. Mr. Keasler subsequently renewed his firm registration, which was received by the Board on February 23, 2015, less than sixty (60) days from the annual firm registration date.
4. Pursuant to 21 NCAC 08J .0111(1), because Mr. Keasler's infraction was for a period of less than sixty (60) days, the appropriate penalty is one hundred dollars (\$100).
5. Mr. Keasler has paid his civil penalty and consents to the entry of this Order and has waived any right to a hearing.
6. The Board members present, representing a quorum of the Board, have unanimously decided to accept Mr. Keasler's payment as full resolution of the aforementioned rules violation.

This the 21 day of SEPTEMBER, 2015.
(Day) (Month) (Year)



NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS

BY:



President

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2015130

IN THE MATTER OF:

LaRue, Corrigan, McCormick & Teasdale LLP,
Respondent

CONSENT ORDER

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners ("Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N. C. Gen. Stat. § 150B-41, the Board and Respondent stipulate to the following:

1. LaRue, Corrigan, McCormick & Teasdale LLP (hereinafter "Respondent Firm"), has a principal place of business outside of North Carolina and has no office in North Carolina. Respondent Firm is not a registered certified public accounting firm in North Carolina.
2. Respondent Firm performed multiple audits of a retirement plan sponsored in North Carolina ("ERISA audits").
3. The North Carolina Accountancy Act, at N.C. Gen. Stat. § 93-10(c)(3), requires firms to provide notice without a fee to the Board prior to performing financial statement audits or other engagements performed in accordance with the Statements on Auditing Standards. The members or partners of Respondent Firm were unaware of the notice requirement.
4. Respondent Firm did not provide the Board with a Notification of Intent to Practice ("Notice") prior to performing the ERISA audits.
5. Respondent Firm subsequently provided a Notice to the Board.
6. Respondent Firm wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. Respondent Firm understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent Firm is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative

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CPA EXAMINERS


Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

2. By exercising the practice privilege afforded by N.C. Gen. Stat. § 93-10(c) of the Accountancy Act, Respondent Firm consented to comply with the laws of this State and to be subject to the jurisdiction and disciplinary authority of the Board.
3. Respondent Firm's failure to comply with N.C. Gen. Stat. § 93-10(c) of the Accountancy Act as set out above constitutes a violation of 21 NCAC 08N .0213.
4. Per N.C. Gen. Stat. § 93-12(9), 93-10(b) and also by virtue of Respondent Firm's consent to this order, Respondent Firm is subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings, the Board and Respondent Firm agree to the following Order:

1. Respondent Firm shall remit, with this signed Order, a one thousand dollar (\$1,000) civil penalty.
2. Respondent Firm shall remit, with this signed Order, a five hundred dollar (\$500) payment for administrative costs.

CONSENTED TO THIS THE 10th DAY OF August, 2015.
(Day) (Month) (Year)




Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 21 DAY OF SEPTEMBER,
2015.
(Year) (Day) (Month)

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: 

President

NC BOARD OF
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CPA EXAMINERS

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2015157

IN THE MATTER OF:

Sejong LLP,

Respondent

CONSENT ORDER

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners ("Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N.C. Gen. Stat. § 150B-41, the Board and Respondent stipulate to the following:

1. Sejong LLP (hereinafter "Respondent Firm"), has a principal place of business outside of North Carolina and has no office in North Carolina. Respondent Firm is not a registered certified public accounting firm in North Carolina.
2. Respondent Firm performed multiple audits of a retirement plan sponsored in North Carolina ("ERISA audits").
3. The North Carolina Accountancy Act, at N.C. Gen. Stat. § 93-10(c)(3), requires firms to provide notice without a fee to the Board prior to performing financial statement audits or other engagements performed in accordance with the Statements on Auditing Standards. The members or partners of Respondent Firm were unaware of the notice requirement.
4. Respondent Firm did not provide the Board with a Notification of Intent to Practice ("Notice") prior to performing the ERISA audits.
5. Respondent Firm subsequently provided a Notice to the Board.
6. Respondent Firm wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. Respondent Firm understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent Firm is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

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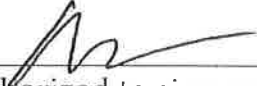
CPA EXAMINERS

2. By exercising the practice privilege afforded by N.C. Gen. Stat. § 93-10(c) of the Accountancy Act, Respondent Firm consented to comply with the laws of this State and to be subject to the jurisdiction and disciplinary authority of the Board.
3. Respondent Firm's failure to comply with N.C. Gen. Stat. § 93-10(c) of the Accountancy Act as set out above constitutes a violation of 21 NCAC 08N .0213.
4. Per N.C. Gen. Stat. § 93-12(9), 93-10(b) and also by virtue of Respondent Firm's consent to this order, Respondent Firm is subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings, the Board and Respondent Firm agree to the following Order:

1. Respondent Firm shall remit, with this signed Order, a one thousand dollar (\$1,000) civil penalty.
2. Respondent Firm shall remit, with this signed Order, a five hundred dollar (\$500) payment for administrative costs.

CONSENTED TO THIS THE 28th DAY OF August, 2015.
(Day) (Month) (Year)



Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 21 DAY OF SEPTEMBER, 2015.
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: 

President

NC BOARD OF
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CPA EXAMINERS

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS
CASE #: C2015181

IN THE MATTER OF:

Morris, Kalish + Walgren, P.C.,
Respondent

CONSENT ORDER

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners ("Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N. C. Gen. Stat. § 150B-41, the Board and Respondent stipulate to the following:

1. Morris, Kalish + Walgren, P.C. (hereinafter "Respondent Firm"), has a principal place of business outside of North Carolina and has no office in North Carolina. Respondent Firm is not a registered certified public accounting firm in North Carolina.
2. Respondent Firm performed multiple audits of a retirement plan sponsored in North Carolina ("ERISA audits").
3. The North Carolina Accountancy Act, at N.C. Gen. Stat. § 93-10(c)(3), requires firms to provide notice without a fee to the Board prior to performing financial statement audits or other engagements performed in accordance with the Statements on Auditing Standards. The members or partners of Respondent Firm were unaware of the notice requirement.
4. Respondent Firm did not provide the Board with a Notification of Intent to Practice ("Notice") prior to performing the ERISA audits.
5. Respondent Firm subsequently provided a Notice to the Board.
6. Respondent Firm wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. Respondent Firm understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. Respondent Firm is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative NC BOARD OF

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CPA EXAMINERS

Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.

2. By exercising the practice privilege afforded by N.C. Gen. Stat. § 93-10(c) of the Accountancy Act, Respondent Firm consented to comply with the laws of this State and to be subject to the jurisdiction and disciplinary authority of the Board.
3. Respondent Firm's failure to comply with N.C. Gen. Stat. § 93-10(c) of the Accountancy Act as set out above constitutes a violation of 21 NCAC 08N .0213.
4. Per N.C. Gen. Stat. § 93-12(9), 93-10(b) and also by virtue of Respondent Firm's consent to this order, Respondent Firm is subject to the discipline set forth below.

BASED on the foregoing and in lieu of further proceedings, the Board and Respondent Firm agree to the following Order:

1. Respondent Firm shall remit, with this signed Order, a one thousand dollar (\$1,000) civil penalty.
2. Respondent Firm shall remit, with this signed Order, a five hundred dollar (\$500) payment for administrative costs.

CONSENTED TO THIS THE 1 DAY OF September, 2015.
(Day) (Month) (Year)

Jeffrey A. Hunt
Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 21 DAY OF SEPTEMBER, 2015.
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED
PUBLIC ACCOUNTANT EXAMINERS



BY: [Signature]
President NC BOARD OF

SEP - 8 2015

CPA EXAMINERS